

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

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In the Matter of:

ADJUSTMENT OF RATES OF )  
CLARK RURAL ELECTRIC ) CASE NO. 8575  
COOPERATIVE CORPORATION )

O R D E R

IT IS ORDERED that Clark Rural Electric Cooperative Corporation shall file an original and seven copies of the following information with this Commission, with a copy to the Attorney General's Division of Consumer Protection, by no later than two weeks after the application is filed. Where a number of sheets are required for an item, each sheet should be appropriately indexed, for example, Item 1(a), page 2 of 5. Include with each response the name of the witness who will be responsible for responding to questions relating to the information provided. If neither the requested information nor a motion for an extension of time is filed by the stated date, the case will be dismissed.

Information Request No. 1

1. In comparative form, an income statement, a statement of changes in financial position, and a balance sheet for the test year and the 12-month period immediately preceding the test year.

2. The detailed workpapers showing calculations supporting all revenue, expense, and tax adjustments in the rate application, together with a detailed explanation of each component used in each calculation. Index each calculation and related explanation to the adjustment it supports.

3. Schedules in comparative form showing for the test year and the year preceding the test year the ending balance in each electric plant and reserve account or subaccount included in the applicant's chart of accounts.

4. A schedule showing a comparison of the balance in each operating expense account for each month of the test year to the same month of the preceding year for each account or subaccount included in the applicant's chart of accounts. See Format 4.

5. A schedule of salaries and wages for the test year and each of the 5 preceding calendar years as shown in Format 5, attached. For each time period provide the amount of overtime pay.

6. A detailed analysis of all advertising expenditures during the test period. This analysis should include a breakdown of Account 913 - Advertising Expenses, as shown in Format 6, attached, and should also show any advertising expenditures included in other expense accounts. This analysis should be specific as to the purpose and expected benefit of each expenditure.

7. An analysis of Account 930 - Miscellaneous General Expenses for the test period. This should include a complete

breakdown of this account as shown in attached Format 7 and all detailed work papers supporting this analysis. At minimum, the work papers should show the date, vendor, reference (i.e., voucher number, etc.), dollar amount and brief description of the expenditure.

8. A detailed analysis of contributions (in cash or services) for charitable and political purposes. This analysis should indicate the amount of the expenditure or value of service provided, the recipient of the contribution, and the specific account charged.

9. A copy of the auditor's report from the co-op's most recent audit.

10. Provide the utility's times interest earned ratio and debt service coverage ratio, as calculated by the Rural Electrification Administration, for the test year and the 5 preceding calendar years. Include the data used to calculate each ratio.

11. Provide the utility's rate of return on net investment rate base for the test year and the 5 preceding calendar years. Include the data used to calculate each return.

12. Provide a detailed analysis of expenses incurred during the test year for professional services as shown in attached Format 12 and all detailed work papers supporting the analysis. At minimum the work papers should show the payee, dollar amount, reference (i.e., voucher number, etc.), account charged, and a brief description of the service provided.

13. A copy of the most recent publication of the Borrower Statistical Profile for Clark RECC as published by the Rural

Electrification Administration. Include a detailed narrative explanation of any action taken by Clark RECC management, its Board of Directors or REA based on the results of this data.

14. A copy of the most recent publication of Kentucky's Electric Cooperatives Operating and Expense Statistical Comparisons.

15. The date and time of the most recent annual members' meeting. Provide the number of members in attendance, the number of members voting for new board members, the number elected, and a general description of the meeting's activities.

16. A copy of the cooperative's current by-laws.

Done at Frankfort, Kentucky, this 25th day of August, 1982.

PUBLIC SERVICE COMMISSION

  
For the Commission

ATTEST:

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Secretary

**Commonwealth of Kentucky**

**Case No. 8575**

COMPARISON OF TEST YEAR ACCOUNT BALANCES WITH THOSE OF THE  
PRECEDING YEAR

[illegible]

Clark Rural Electric Cooperative Corporation

Case No. 8575

ANALYSIS OF SALARIES AND WAGES

For the Calendar Years 1977 Through 1981  
And the 12-Month Period Ending June 30, 1982

(000's)

Line No.	Item (a)	12 Months Ended												Test Year
		Calendar Years Prior to Test Year										1st Year		
		5th		4th		3rd		2nd		Amount (l)	%			
		Amount (b)	% (c)	Amount (d)	% (e)	Amount (f)	% (g)	Amount (h)	% (i)					
										Amount (j)	% (k)	Amount (l)	% (m)	

1. Wages charged to expense:
2. Power production expense
3. Transmission expenses
4. Distribution expenses
5. Customer accounts expense
6. Sales expenses
7. Administrative and general expenses:
  - (a) Administrative and general salaries
  - (b) Office supplies and expense
  - (c) Administrative expense transferred-cr.
  - (d) Outside services employed
  - (e) Property insurance
  - (f) Injuries and damages

Line No.	Item (a)	12 Months Ended										Test	
		Calendar Years Prior to Test Year										Year	
		5th	4th	3rd	2nd	1st						Amount	%
		Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
		(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)

7. Administrative and general expenses (continued):
- (g) Employee pensions and benefits
  - (h) Franchise requirements
  - (i) Regulatory commission expenses
  - (j) Duplicate charges-cr.
  - (k) Miscellaneous general expense
  - (l) Rents
  - (m) Maintenance of general plant
8. Total administrative and general expenses L7(a) through L7(m)
9. Total salaries and wages charged expense (L2 through L6 + L8)
10. Wages capitalized
11. Total salaries and wages
12. Ratio of salaries and wages charged expense to total wages (L9 + L11)
13. Ratio of salaries and wages capitalized to total wages (L10 + L11)
14. Show percent increase of each year over the prior year in Columns (c), (e), (g), (i), (k), and (m).

## Clark Rural Electric Cooperative Corporation

Case No. 8575

## ACCOUNT 913 - ADVERTISING EXPENSE

For the 12 Months Ended June 30, 1982

<u>Line</u> <u>No.</u>	<u>Item</u> (a)	<u>Sales or</u> <u>Promotional</u> <u>Advertising</u> (b)	<u>Institutional</u> <u>Advertising</u> (c)	<u>Conservation</u> <u>Advertising</u> (d)	<u>Rate</u> <u>Case</u> (e)	<u>Other</u> (f)	<u>Total</u> (g)
1.	Newspaper						
2.	Magazines and Other						
3.	Television						
4.	Radio						
5.	Direct Mail						
6.	Sales Aids						
7.	Total						



## Clark Rural Electric Cooperative Corporation

Case Number 8575

## ACCOUNT 930.2 MISCELLANEOUS GENERAL EXPENSES

For the 12 Months Ended

<u>Line No.</u>	<u>Item</u> (a)	<u>Amount</u> (b)
1.	Industry Association Dues	
2.	Directors Fees and Expenses	
3.	Dues and Subscriptions	
4.	Special Studies	
5.	Testing and Research	
6.	Advertising	
7.	Annual Meeting Expenses	
8.	Other	
9.	Total Account 930	

## Clark Rural Electric Cooperative Corporation

Case No. 8575

## Professional Service Expenses

For the Twelve Months Ended June 30, 1982

<u>Line No.</u>	<u>Item</u>	<u>Rate Case</u>	<u>Annual Audit</u>	<u>Other</u>	<u>Total</u>
1.	Legal				
2.	Engineering				
3.	Accounting				
4.	Other				
5.	Total				